

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

|   |   |                     |
|---|---|---------------------|
| Domestic Section 214 Application Filed for    | ) |                     |
| the Acquisition of Assets of NationsLine      | ) |                     |
| New Jersey, Inc., NationsLine Delaware, Inc., | ) | WC Docket No. 07-40 |
| And NationsLine North, Inc. by                | ) |                     |
| Infinite Communication, LLC                   | ) | DA 07-1107          |
|   | ) |                     |

**REPLY OF INFINITE**

Infinite Communication, LLC (“Infinite”), the proposed purchaser in the transaction before the Commission, by its attorneys, hereby files a reply to Verizon’s comments (“Comments”) filed in the above-referenced docket.<sup>1</sup> Infinite respectfully requests that the Commission accept this late-filed reply pursuant to Commission Rule §1.46(b) because Verizon did not serve the parties to the Application, and Infinite just today became aware of the Comments. Infinite is surprised that Verizon chose not to serve the parties to the Application, particularly when Verizon’s attorneys listed on the Comments have worked with Infinite’s counsel in many Commission proceedings in the past. Verizon’s failure, whether intentional or inadvertent,<sup>2</sup> prevented Infinite from replying to the Comments in a timely manner.

On the substance, the Commission should not be distracted by Verizon’s ploy to interject delay in this proceeding. Verizon does not have any interest in the asset transfer that would justify the extraordinary action of filing comments in a streamlined Section 214

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<sup>1</sup> Comments of Verizon filed March 22, 2007 in response to Domestic Section 214 Application Filed for the Acquisition of Assets of NationsLine New Jersey, Inc., NationsLine Delaware, Inc. and NationsLine North, Inc. by Infinite Communication, LLC (filed February 28, 2007)(“Application”). Infinite and the NationsLine companies also filed an international application, Docket ITC-ASG-20070228-00089, regarding the instant transaction.

<sup>2</sup> Infinite has no knowledge whether Verizon’s failure to serve Infinite was inadvertent or not, and it will not speculate as to Verizon’s motives.

application. Verizon's obvious purpose in submitting comments is to advance its collection efforts against an affiliate of the seller in this transaction, a purpose that apparently is designed solely to interject delay and embroil the Commission and Infinite in a dispute that bears no relevance to the approval requested in the Application. This interest does not require further investigation by the Commission. Infinite encourages the Commission to disregard Verizon's Comments as baseless and irrelevant to the instant transaction. Accordingly, it should proceed with the prompt processing of the application.

### ARGUMENT

Verizon's action here is truly extraordinary. On March 8, 2007, the Commission issued its Public Notice in this proceeding finding, upon the Commission's initial review, that the Application was acceptable for filing as a streamlined application. On March 22, 2007, in a move quite unusual in this type of proceeding, Verizon filed Comments on the application. Verizon makes speculative and entirely unsupported allegations about the transaction,<sup>3</sup> in an attempt to drum up a claim that the proposed transaction is not in the public interest. Notably, Verizon (who is not a customer of NationsLine) fails to assert any impact of the transaction on the customers involved.<sup>4</sup>

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<sup>3</sup> Verizon's failure to support its allegations with an affidavit or other evidence is sufficient reason for the Commission to disregard the Comments, particularly given the sensational nature of the allegations. *See, e.g.*, Comments at 1 ("Verizon is concerned that the underlying transaction is part of an unlawful scheme ... to avoid paying debts"); Comments at 3 ("There is no legitimate business purpose to this transaction"). Section 1.52 of the Commission's rules require that such statements be supported by a good faith basis, which Verizon has not shown. 47 C.F.R. § 1.52 ("The signature or electronic reproduction thereof by an attorney constitutes a certificate by him that he has read the document; that to the best of his knowledge, information and belief there is good ground to support it; and that it is not interposed for delay").

<sup>4</sup> Applications such as these rarely present any issues other than the impact that an acquisition will have on customers of the seller. Indeed, the Commission reviews hundreds of such applications each year without the need for additional submissions by third parties to ensure that the transfer is in the public interest.

First, as a general matter, as is abundantly clear from the Comments, Verizon's sole objective here is to advance its interest as a creditor to CAT Communications, an entity that is not even a party to the Application. The Comments suggest that Verizon somehow might not be able to collect money CAT allegedly owes to it if this transaction is approved. Even if true (and Infinite has no basis to evaluate this claim), this concern is unrelated to the NationsLine companies' decision to sell assets to a bona fide third party purchaser for value (i.e., Infinite).

Further, this concern is immaterial to the Commission's duty in reviewing the transfer application. The Commission is not a collection court, and it is extremely unlikely that the Commission has the authority to grant any relief Verizon might seek to advance its interest as a creditor to a non-party. Verizon's interest as a creditor (though understandable) does not relate to the Commission approval requested by the parties.

Second, Verizon's suggestion that grant of the Application would not be in the public interest is unsupported by any facts that are relevant to the transaction. Verizon claims (as noted, without support) that "[t]here is no legitimate business purpose to this transaction." Comments at 3. The fact of the matter is that the sellers and the buyer, who is not affiliated with the sellers in any way, reached an agreement through arms-length negotiations. Infinite (the buyer) will pay fair consideration for the NationsLine assets to be acquired. This is a fair market transaction that will enable a legitimate new entrant, Infinite, to compete in the telecommunications marketplace in several states, as described in the Application. Further to this point, Verizon's contention that "[t]here is also no public interest benefit to the transfer of customers from NationsLine to Infinite" can be dismissed as well. Comments at 3-4. Essentially, Verizon is saying that transferring customers to a new entrant that, by definition, does not currently hold any telecommunications authorizations provides no public interest

benefit. If this were the case, there would be no competitive carriers today. On many occasions, the Commission has stated that new entry should be promoted. *See, e.g., Implementation of Section 402(b)(2)(A) of the Telecommunications Act of 1996*, 14 FCC Rcd 11364, 11373 (1999) (“by its very terms, blanket authority removes regulatory hurdles to market entry, thereby promoting competition”). Indeed, applications such as the instant Application are vital to the Commission’s goal of enhancing competition in the interexchange and local exchange telecommunications marketplace.

Third, if the Commission were to entertain Verizon’s irrelevant and incorrect claims, examination of such issues is certain to add undue delay and confusion to this proceeding. Any investigation of the actions of CAT and/or the transfer of customers from CAT to NationsLine surely would delay the Commission’s review of the application and quite possibly would result in multiple disputes as to the relevance, burden and scope of any such investigation. The inevitable result would be significant delay in the consideration and approval of this application. Such delay itself would be counter to the public interest and could threaten the collapse of the transaction altogether. Infinite urges the Commission to resume its streamlined processing of this application.

Finally, although the issue is utterly irrelevant to the application, Infinite wishes to correct a blatantly false statement Verizon makes concerning Line Systems, Inc. In its attempt to offer any conceivable claim, however, immaterial, Verizon alleges that “Line Systems, Inc. is currently in arrears to Verizon for nearly one million dollars in undisputed charges for Verizon’s wholesale services.” Comments at 4. Not only is this irrelevant, but this assertion is simply false. The fact is that Line Systems, Inc. has disputed the charges that Verizon references and has received no response from Verizon.

**CONCLUSION**

Because Verizon fails to raise any legitimate public interest concern that is relevant to the Application, the Commission should dismiss Verizon's Comments out of hand and proceed with the processing of the Application.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steven A. Augustino", is written over a horizontal line.

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Dated: March 30, 2007

## CERTIFICATE OF SERVICE

I, Steven A. Augustino, hereby certify that on this 30<sup>th</sup> day of March, 2007, I served a true and correct copy of the Reply of Infinite in WC Docket No. 07-40, DA 07-1107 on the following by the means indicated below.

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